

119 NOV 1976

MEMORANDUM FOR: Deputy Director for Intelligence
Deputy Director for Operations
Deputy Director for Science & Technology
General Counsel
Legislative Counsel
Inspector General
Comptroller
Director, Equal Employment Opportunity
Administrative Officer, DCI

FROM : John F. Blake
Deputy Director for Administration

SUBJECT : Reducing Daily Operating Costs

REFERENCE : Memo dated 28 February 1975 to Deputy
Directors and Heads of Independent
Offices from DCI, Subject: Fighting
Inflation and Reducing Daily Operating
Costs

1. It is the desire of the Director of Central Intelligence to continue with the program initiated in the referent. The first semi-annual reporting period for Fiscal Year 1977 ends 31 March 1977. The consolidated report is due in the Director's office in May. Your report should be received by Management and Assessment Staff, DDA by 15 April 1977.

2. Measures taken to effect a reduction in operating costs or to combat inflation should be described and the actual dollar savings quantified in the following categories:

Group I : Savings to date for the current fiscal year.

Group II : Annual savings projected in future fiscal years.

Group III: One-time savings for the current or future fiscal years (This group should not include savings reported in Groups I or II.)

3. The attached page, extracted from a previous reporting, is suggested as a convenient format for presenting the requested information.

4. Savings reported should be those growing out of measures which were instituted during Fiscal Year 1977. Savings reported in the Fiscal Year 1976 report should be excluded, unless they are a recurrence of a Group III item or result from an activity which impacts on previously reported savings.

STATINTL

[Redacted Signature Box]

John F. Blake

Attachment:

Extract from Previous Report As Stated

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DDA/MAS:

[Redacted Box]

(19 November 1976)

OFFICE OF DATA PROCESSING
Fighting Inflation and Reducing Daily Operating Costs
Report for FY 1976

Description of Activity :	Group I Savings to Date In FY 1976	Group II Projected Annual Savings Beyond FY 1976	Group III One Time Savings for FY 1976 Only
<u>Consolidation of Production</u> <u>Division Software</u>			
Consolidating computer utility programs and subroutines to one disk file will save 120 man hours this fiscal year and 240 man hours in future years.	2,000	4,000	
<u>Improved Report Program for OMS</u>			
A computer report program was modified for more efficient processing and it is estimated that this will save \$5,000 per year.	-	5,000	
<u>Implementation of Program Library</u> <u>Software</u>			
A software package for maintaining a library of computer programs will reduce magnetic disk and tape storage requirements and require less manpower.	1,000	5,000	

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DD/A Registry

76-4770

MANAGEMENT

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Executive Registry

76-5328

THE AGENCY'S INFLATION FIGHTING
AND COST REDUCTION PROGRAM
FISCAL YEAR 1976

1. This notice summarizes results of the Agency's inflation fighting and cost reduction program for Fiscal Year 1976. Savings are reported in the following three categories, and significant items are presented in subsequent paragraphs:

- Category I - Savings achieved in Fiscal Year 1976:
\$5.9 million *✓*
- Category II - Annual Savings anticipated for future fiscal years:
\$4.9 million *5.0*
- Category III - One-time Savings achieved in Fiscal Year 1976
(not reported in categories I or II):
\$1.1 million *3.6*

2. Savings in Category I included Community-wide savings of \$2.6 million by COMIREX through transfer of used and surplus imagery exploitation equipment to other Government organizations. Within the Agency, use of the Wide Area Telephone System for operator assisted long distance telephone calls resulted in savings of approximately \$149,000. Reduction of travel by Agency personnel resulted in savings of \$717,000, and improved records management procedures (e.g., use of microfilm and reduction in headquarters file storage) produced savings of \$201,000. The Directorate of Intelligence saved \$146,000 through ADP-related improvements, and the Office of Data Processing achieved \$242,000 in savings through a reduction in costs of automation.

3. Category II savings include \$1 million in annual savings estimated by COMIREX that will accrue to the Intelligence Community through a redelineation of search requirements. ADP improvements account for more than \$480,000 of projected annual savings in future years. The Directorate of Operations expects to save \$245,000 annually in PCS travel through emphasizing three-year tours of duty whenever practical. The Office of Current Intelligence estimates an annual savings of \$121,000 through modifying the schedule of current intelligence publications. The Directorate of Science and Technology estimates a significant reduction of future manpower costs through redefining existing functions and responsibilities. The Office of Logistics' program of acquiring large quantities of surplus electrical, plumbing, and automotive supplies from the Department of Defense and other sources is expected to result in annual cost savings of \$270,000.

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MANAGEMENT

4. Savings in Category III included \$84,000 saved through the moving of a ground control station by Office of Communications staff engineers and technicians rather than by a commercial contractor as originally planned. equipment retrieval and renovation overseas resulted in savings of \$8,000. The Office of Logistics' Central Depot recovered \$98,000 through the fabrication of reusable containers. Also included in this category are a number of other items such as reduction in paperwork, Agency-conducted training to avoid unnecessary travel and per diem costs, return of surplus stock to vendors, and cancellation of subscriptions to marginally useful publications.

5. Possibly most significant is the demonstrated awareness of Agency personnel of the importance of reducing daily operating costs. The programmer who improves the operation of a computer program, the analyst who accepts microfilm rather than the more convenient paper form, and the secretary who chooses to reproduce copies in the least expensive manner all play an equally important role in our efforts to fight inflation and reduce costs.

7s/ E. H. Knoche

E. H. Knoche
Deputy Director of Central Intelligence

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